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SUMMARY

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THE IMPROVEMENT OF SMALL BUSINESSES IN A DEVELOPING COUNTRY

By Robert CAUSSIN,
Administrateur-Directeur du Comité
National Belge de l'Organisation Scientifique,
Brussels, Belgium

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THE IMPROVEMENT OF SMALL BUSINESSES IN A DEVELOPING COUNTRY

by

Robert CAUSSIN, Administrateur-Directeur
du Comité National Belge de l'Organisation
Scientifique, Brussels, Belgium

The small business plays an important part in the building up of a social structure. It contributes to the improvement of production, employment, purchasing power, exchange of information and social relations. It stimulates initiative and the sense of responsability.

It is characterised by the union of management and ownership, by the close association of financial and labour factors, and by the planning decision powers in a single person.

This independence and freedom for the taking of decisions give it flexibility and speed of action that are a highly valuable asset. Besides, it has to a high degree the spirit of enterprise and the important asset of requiring no important investments, or important operational expenditures.

On the other hand, its success is bound with the capacities and with the personal experience of he who manages it. It is very sensitive to competition, is very often managed according to an empirical and traditional method and generally rests on a very narrow financial foundation.

Improvement of the small enterprise in the first place claims for a perfect knowledge of its strong and of its weak points. Establishment of a program recourse to competent advice, exchange of experience with other heads of enterprises, complementary formation of the manager owner must be the foundation of this improvement.

Then come implementation of principles of specialisation, of personel management, of internal organisation, of commercial and financial management.

The action of improvement can be completed by the application of the principle of cooperation, which enables small enterprises to obtain the benefit of organisation techniques that are normally reserved for large enterprises : grouping for purchasing in common for collective marketing, for research and study, etc.

It also can secure the help of large enterprises which are in a position to give considerable technical, commercial and financial aid to the small firm with which they are related either in the role of suppliers or of customers.

The help of professional associations, research, study and teaching organisations can also be very highly valuable. Banks and credit institutions are able, not only to lend direct financial aid but also to supply useful information of problems of management and economic questions.

Finally, the Public Authorities also can give considerable assistance by facilitating the establishment of small enterprises, by ensuring their legal protection and helping their development.

It seems that improvement programs of small businesses, in developing countries, should turn towards encouragement of the spirit of enterprise, economic education and the realisation of social responsabilities.

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